

**7th Annual Report  
2000-2001**



**TABASSUM INTERNATIONAL LIMITED**

**BOARD OF DIRECTORS** : Mrs. Tabassum Govil (Chairperson)  
Mrs. Ulka Doshi (Director-Finance)  
Mr. Milind Dabke  
Mr. Madhav Dabke  
Mr. Dinesh Gandhi  
Mr. Brijesh Merchant  
Mr. Rahul Merchant  
Mr. Anil M. Topiwala

**COMPANY SECRETARY** : Mr. R. B. Uparkar

**AUDITORS** : M/s S. M. Shidhaye & Co.  
Chartered Accountants  
97, Uday Co-op Housing Soc. Ltd.,  
Aarey Road, Opp. Ambamata Mandir,  
Goregaon (West), Mumbai 400 062.

**REGISTERED OFFICE** : 15, S. V. Path,  
J. S. S. Road,  
Mumbai 400 004.

**REGISTRARS & TRANSFER AGENTS** : Bigshare Services Private Limited  
E/2, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (East),  
Mumbai 400 072.

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## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the Seventh Annual General Meeting of Tabassum International Limited will be held on Thursday, 28th March, 2002 at 10.00 a.m. at Vanmali Hall, 1st Floor, 70 D, Chabildas Road, Dadar, Mumbai - 400 028 to transact the following business :

**Ordinary Business :**

1. To receive, consider and adopt the Balance Sheet as at 30th September, 2001 and the Profit and Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Milind Dabke who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Brijesh Merchant who retires by rotation and, being eligible, offers himself for re-appointment.

**Special Business :**

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

**"RESOLVED THAT**, pursuant to Sections 198, 269, 309 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), the Company hereby accords its consent and approval to the appointment of Mrs. Ulka Doshi as the Director-Finance in Whole-time employment of the Company for a period of five years with effect from 16th November, 2000, on the following terms and conditions :

**Salary :**

Rs. 20,000/- per month, with an annual increase of Rs. 2,000/- upto Rs. 30,000/- in five years.

**Commission :**

Commission on the Net Profit of the Company for each financial year subject to the condition that it shall not exceed one percent of net profit of the Company in any year.

**Benefits and perquisites :**

- (i) Reimbursement of medical expenses actually incurred for self and family not exceeding an amount equivalent to one month salary in any year.
- (ii) Leave with full pay and allowances, as per the rules of the Company, not exceeding one month's leave salary for every eleven months of service rendered subject to the condition that leave accumulated but not availed will be allowed to be encashed at the end of the tenure.
- (iii) Reimbursement of expenses incurred on travel for self, spouse and dependent children once in a year to and fro any place in India.
- (iv) Benefits of Company's contribution towards Provident / Superannuation Fund as per the rules of the Company prevailing from time to time.
- (v) Furnished residential accommodation together with utilities such as gas, electricity and two servants etc., the monetary value of which will be calculated as per the Income Tax Rules, 1962.
- (vi) Company car with driver for official use.
- (vii) Free telephone facility at residence and cellular phone for office use. Personal long distance calls shall not be paid.
- (viii) Reimbursement of membership fees for club.

**"RESOLVED FURTHER THAT** in case Mrs. Ulka Doshi is removed from the position of Whole-time Director before she completes her stipulated term, she shall be paid a compensation of salary equivalent to 50% of salary that she would have entitled to had she continued as a Whole-time Director.

**"RESOLVED FURTHER THAT** Mrs. Ulka Doshi shall not be liable to retire by rotation as a Director as long as she continues to be the Whole-time Director of the Company.

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

**"RESOLVED THAT** in terms of applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges, where the shares of the Company are listed and subject to the consent of all concerned authorities, if any and to the extent necessary and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modification as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "The Board") to offer/ issue/ allot 8,32,000 Equity shares of Rs. 10/- each of the Company which were forfeited in terms of resolution passed by the Board on 9th July, 2001 to any person or persons, whether or not shareholders of the Company and at such price and on such terms and conditions as are in the best interest of the Company as the Board may in its absolute discretion decide.

**"RESOLVED FURTHER THAT** subject to the terms and conditions stated herein, the equity shares allotted pursuant to this resolution shall in all respects rank pari-passu inter-se as also with the other equity shares of the Company.

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary, proper or desirable to give effect to this resolution."

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

**"RESOLVED THAT** Mr. Anil M. Topiwala who was appointed as Additional Director pursuant to Section 260 of the Companies Act, 1956 on 4th February, 2002 to hold the office till this Annual General Meeting and in respect of whom the Company has received a notice along with a deposit of Rs. 500 from a member proposing his appointment as a Director be and is hereby appointed as a Director of the Company liable to retire by rotation pursuant to Section 257 of the Companies Act, 1956."

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

**"RESOLVED THAT** pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Sanjay Raja Jain & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors in consultation with the auditors, in place of retiring auditors, M/s S. M. Shidhaye & Co., Chartered Accountants who are not seeking re-appointment."

By Order of the Board

**R. B. Uparkar**  
Company Secretary

Place : Mumbai  
Dated : 11th February, 2002

**Tabassum International Limited****Notes :**

1. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of items 4 to 7 of the Notice as set out above, is annexed hereto.
2. **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. THE PROXY SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 21.03.2002 to 22.03.2002 (both days inclusive).
4. Members seeking any information with regard to accounts of the Company are requested to send their queries so as to reach the registered office at least 10 days before the meeting to enable the management to keep the information ready.
5. Members are requested to bring their copies of Annual Report to the Meeting.

**Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956****Item No.4**

Mrs. Ulka Doshi was appointed as Additional Director on the Board with effect from 16th November, 2000. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mrs. Ulka Doshi will hold the office of the Director of the Company upto the date of this Annual General meeting. A notice in writing, pursuant to Section 257 of the Companies Act, 1956 has been received from the member intending to propose her as a candidate for the office of Director at this Annual General Meeting, along with a deposit of Rs. 500/-. It is proposed to appoint her as a Director not liable to retire by rotation as mentioned in Item No. 4 of the Notice.

Mrs. Ulka Doshi is a Chartered Accountant. She has been associated with the Company for last 7 years as Vice-President Finance, when she had exposure to finance and accounting functions. Having regard to her experience, the Board of Directors was of the opinion that it would be in the interest of the Company to appoint her as Director Finance. Therefore, the Board in its meeting held on 16th November, 2000 appointed her as the Director-Finance in the whole time employment of the Company for a period of 5 years with effect from 16th November, 2000, subject to the approval of shareholders in the general meeting. The terms and conditions of her appointment are elaborated in the Resolution itself.

Her appointment as Director Finance and the remuneration proposed to be paid to her are in accordance with the provisions of Schedule XIII to the Act and be subject to the approval of the shareholders in general meeting, as required under that Schedule read with Section 269 of the Companies Act, 1956. Further, the appointment of Mrs. Ulka Doshi, who is a Senior Executive of the Company, as Director-Finance of the Company may be confirmed as Director holding an office of profit in the Company requiring consent of the Company by way of a Special Resolution pursuant to the provisions of Section 314.

The Special Resolution contained in item no. 4 of the accompanying notice is intended for obtaining such approval of the shareholders. The Directors recommend passing it.

None of the Directors other than Mrs. Ulka Doshi is concerned or interested in passing the said resolution.

**Item No. 5**

During the year, the Company forfeited 8,32,000 equity shares of Rs. 10/- each for non-payment of allotment money and as per the Articles of Association of the Company, the shares so forfeited may be sold, re-allotted, re-issued or otherwise disposed off on such terms and in such manner as the Board of Directors thinks fit.

However, the Listing Agreements with the Stock Exchanges provide that a listed Company in the first instance should offer all shares (including forfeited shares) and securities to be issued pro-rata to the equity shareholders of the Company unless the shareholders in a general meeting decide otherwise.

The consent of the shareholders is being sought to enable the Company for re-issuing forfeited shares in the manner set out in the resolution in item no. 5 of the Notice pursuant to provisions of the Listing Agreements with the various Stock Exchanges where the shares of the Company are listed.

The said resolution is an enabling resolution conferring authority on the Board to cover all contingencies and corporate requirements.

Your Directors recommend the resolution for approval of the members.

All the Directors of the Company may be deemed to be concerned or interested to the extent the equity shares that may be offered to them.

**Item No. 6**

Mr. Anil M. Topiwala was appointed as an Additional Director of the Company on 4th February, 2002. Pursuant to Section 260 of the Companies Act, 1956, he will hold office till the date of ensuing Annual General Meeting.

Mr. Anil Topiwala is a practicing Chartered Accountant with a considerable experience in the field of audit, accounts, finance and taxation.

The Company has received a notice under Section 257 along with a deposit of Rs.500/- from a member of the Company notifying his intention to propose the candidature of Mr. Anil Topiwala as a Director of the Company.

The Board recommends the resolution for approval of the Members.

None of the Directors of the Company except Mr. Anil Topiwala, is concerned or interested in passing the said resolution.

**Item no. 7**

M/s. S. M. Shidhaye & Co. Chartered Accountants, have been acting as the Auditors of the Company w.e.f. 28th July, 1995 and as per the resolution passed in 6th Annual General Meeting of the Company held on 8th November, 2000, will hold the office till the conclusion of forthcoming Annual General Meeting. Vide their letter dated 29th December, 2001, they have informed the Company that they are not seeking re-appointment as auditors of the Company at forthcoming Annual General Meeting due to pre-occupation.

In their place, it is proposed to appoint M/s. Sanjay Raja Jain & Co., Chartered Accountants as the Auditors of the Company. M/s. Sanjay Raja Jain & Co. is a renowned audit firm and very well experienced in corporate audit.

The Directors recommend the resolution for your approval. None of the Directors of the Company is, in any way concerned or interested in the said resolution.

**DIRECTORS REPORT**

Your Directors have pleasure in presenting their Seventh Annual Report together with the Audited Accounts of the Company for the year ended on 30th September, 2001

**Financial Results**

	<b>For the year ended on 30th September, 2001 (Amount in Rs.)</b>
Gross Income	83,16,668
Expenditure	2,30,52,990
Profit before Taxation & Depreciation	(1,47,36,322)
Depreciation	6,41,215
Profit / (Loss) before tax	(1,53,77,537)
Provision for Taxation	Nil
Profit / (Loss) after tax	(1,53,77,537)
Profit / (Loss) brought forward from last year	(11,81,396)
Profit / (Loss) carried forward to Balance Sheet	(1,65,58,933)

**Management Discussion and Analysis**

In accordance with the Listing Agreement entered into with stock exchanges, the Management Discussion and Analysis Report is annexed hereto and forms part of this report.

**Fixed Deposits**

The Company has not accepted any deposits from the Public within the meaning of Section 58A of the Companies Act, 1956 during the period under review.

**Public Issue & Listing of Shares**

The Company's first public issue of 40 lakhs equity shares of Rs. 10/- each for cash at par aggregating to Rs. 400 lakhs made in September 2000 was fully subscribed. The allotment of shares was made on 9th October, 2000.

The equity shares of the Company have been listed on the Stock Exchange- Mumbai, the Stock Exchange- Ahmedabad and the Hyderabad Stock Exchange Ltd.

**Forfeiture of Shares**

On 9th July, 2001, the Board of Directors forfeited 8,32,000 equity shares of the Company for non-payment of allotment money. The Company will re-issue the forfeited shares at appropriate time in future.

**Directors**

Mrs. Ulka Doshi, previously Vice-President Finance was elevated by the Board of Directors to the position of the Director-Finance w.e.f. 16th November, 2000, subject to the approval by the shareholders. Your Directors recommend her appointment as Director-Finance and also as a Director of the Company.

Mr. Anil M. Topiwala was appointed as an Additional Director of the Company on 4th February, 2002. Pursuant to Section 260 of the Companies Act, 1956, he will hold office till the date of ensuing Annual General Meeting.

Mr. Topiwala is a practicing Chartered Accountant with a considerable experience in the field of audit, accounts, finance and taxation.

The Company has received a notice under Section 257 along with a deposit of Rs.500/- from a member of the Company notifying his intention to propose the candidature of Mr. Anil Topiwala as a Director of the Company. Your Directors recommend the appointment of Mr. Topiwala as Director of the Company.

Mr. Shaheryar Govil and Mrs. Hemali Govil resigned from the Board with effect from 16th November, 2000. The Board places on record its sincere appreciation of the valuable services rendered by them during their tenure as Directors of the Company.

Mr. Milind Dabke, Managing Director, resigned from his position as Managing Director of the Company w.e.f. 26th December, 2001. He continues to hold the office as Director of the Company. The Board places on record its sincere appreciation for the valuable contribution made by him towards growth of the Company during his tenure as Managing Director.

Mr. Milind Dabke and Mr. Brijesh Merchant will retire by rotation and being eligible, have offered themselves for re-appointment at the ensuing Annual General Meeting. Your Directors recommend their re-appointment as Directors.

**Directors Responsibility Statement**

Pursuant to provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that :

- (i) In the preparation of these annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The accounting policies have been consistently applied and reasonable and prudent judgements and estimates have been made, so as to give a true and

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fair view of the state of affairs of the Company at the end of the financial year ended on 30th September, 2001 and of the loss of the Company for that year;

- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) These annual accounts have been prepared on a going concern basis.

**Auditors**

M/s. S. M. Shidhaye & Co., Chartered Accountants, the retiring auditors of the Company are not seeking re-appointment as auditors of the Company due to pre-occupation. In their place, it is proposed to appoint M/s. Sanjay Raja Jain & Co., Chartered Accountants as the Auditors of the Company on a remuneration to be decided by the Board of Directors.

**Qualification in Auditors Report**

On comments made by the Auditors in their Report vide para 6 (a) in respect of Company's investment in debentures, the Directors would like to state that these debentures have been issued by wholly owned subsidiaries of the Company and therefore, in the opinion of Directors, the title of Company in respect of said investment is fully secured.

**Internal Control System**

The Company maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transaction of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets. The Company is now in the process of setting up Internal Audit System.

**Corporate Governance**

Pursuant to clause 49 of the listing agreement entered into with the Stock Exchanges, the Company has complied with all the provisions of Corporate Governance and a report on corporate governance is annexed hereto and forms part of this report. A certificate from the auditors of the Company regarding compliance of conditions of

Corporate Governance is attached to this Report. In future, the Company intends to implement the non-mandatory recommendations, as prescribed in Code of Corporate Governance.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo**

The Company is not strictly engaged in the manufacturing activity, as such particulars relating to conservation of energy and technology absorption are not applicable. However, in the editing facilities, offices etc., adequate measures are being taken to conserve energy as far as possible.

As far as foreign exchange earning and outgo is concerned, the Company has neither earned nor used any foreign exchange during the period under review.

**Particulars of Employees**

There is no employee covered pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended. Hence, no particulars are given.

**Subsidiary Companies**

A statement pursuant to Section 212 of the Companies Act, 1956 relating to Company's subsidiaries is attached to the balance sheet.

**Acknowledgments**

Your Directors wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by the Bankers, shareholders, Registrar & Transfer Agents, the artists and technicians associated with the Company's programmes, media and channels, whose continued support has been a source of strength to the Company. Your Directors also place on record their appreciation for the dedicated and sincere services rendered by the employees of the Company.

For and on behalf of the Board

**Ulka Doshi**  
Director- Finance

Place : Mumbai  
Date : 11th February, 2002

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Development

The last year has not been good to the media industry. During the year, a number of T.V. channels such as B4U Music, B4U, Tara (Marathi), Prabhat (Marathi), Gurjari (Gujarati) etc. were closed down. Due to general economic recession in the country, the advertising spent has not grown up as expected. Due to fall in revenue, number of software companies producing programmes exclusively for Doordarshan started looking at private channels for their programmes. That has resulted into cut-throat competition among existing companies.

### Opportunities and Threats

#### Opportunities

In spite of not so good current scenario, there definitely exist opportunities as follows:

An emerging concept of DTH provides scope for TV Serial producers.

International markets offer potential for niche programming and repeat telecasts.

Emergence of international audiences and NRI's as a strong and lucrative market are looking for Indian Television Serials.

The access of cable and satellite channels into television households is currently 17 percent compared to 38 per cent of all Indian households having television sets- a considerable room for growth within India's existing market.

The size of the Indian programming market in 1999-2000 was estimated to be approx. Rs. 1000 crores. The compounded annual growth rate (CAGR) forecast over the next three years is 30 per cent. This is expected to drive programming opportunities.

The international markets represent a large untapped market for the Indian soap. India is in a position to capture the attention of a large Indian population across UK, UAE, South Africa and US.

#### Threats

However, we perceive certain threats as follows :

The economic / industrial recession has affected most of the industries in the country which in turn has a cascading effect on the media industry.

Most of the Channels are looking for a re-run of old programmes thereby affecting the market for new programmes.

The possibility of a shake up in the Cable and Satellite Channels will result in stiff competition between the existing content providers.

### Segment-wise or Product-wise performance

The Company had a vision to establish itself into three

main areas - television software, internet and stage shows

The boom witnessed in the dot-com and the internet business during the year 1999-2000 was not sustainable during the year 2001. The expected growth in the internet and dot-com did not materialise which resulted in stagnation or fall in the revenue. The growth of the advertisements expected with regard to various web-sites also did not materialise. Majority of dot-com companies burst. The Company had planned to invest Rs. 175 lakhs in setting up various portals/ web-sites. However, looking at stagnation / dwindling fortune of dot-com business, your Directors decided to put a freeze on further investment.

Over last two decades, the stage show "Tabassum Hit Parade" was doing quite well all over India and also in number of other countries. However, the last year witnessed a drastic drop in popularity of the show as people wanted to see big stars in action.

The Company made a modest beginning in software business. At present, the Company has one weekly serial on the air - "Hansa- Chakaftu", a comedy serial on Alpha Marathi of which 24 episodes have been telecast. The Company produced episodes for serials 'Spandan'(ETV Marathi), "Reshim Gathi " (Alpha Marathi) and "Timir Katha" (ETV Marathi).

The Company has planned for some more serials in near future and has submitted proposals to ETV Gujarati, ETV Marathi, Alpha Marathi and Alpha Gujarati. The Company has also submitted pilot episodes in respect of some proposed serials. The Company is looking for a partner in its venture.

### Future Outlook

In spite of not so good present scenario, the entertainment media sector is high potential sector. The technological advances are changing the face of the media industry in India. Content available to Indian consumers is increasing through the launch of newer channels. Costs of delivery are declining as digitalization packs more content into the same channels of delivery. Similarly, the range of distribution channels is increasing potential revenue from the same content. Similarly, the availability of satellite space has risen with increase in the number of satellites over Indian skies.

The channels will need quality content to attract viewership and retain it. Further, higher advertising spends on TV fuelled by the growing reach of TV, will lead to growth in demand for quality TV software. The other important aspect of TV entertainment software is that it is easily accessible, requires no self space, has large reach and has potential for re-exploitation to audiences not only in India but also in other parts of the world. With 15% of the world's population being in, or having originated from the Indian sub-continent, this opportunity for re-exploitation has high



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potential at a very low incremental cost. The product also has potential for re-packaging or customisation. It can be dubbed or sub-titled into several languages, or can be sold in varying lengths for different markets.

The demand for Indian language programming is emerging from diverse regions such as the already recognised markets of the US, UK, UAE and South Africa, to the newly emerging markets of Australia, New Zealand, Malaysia and Kenya. Indian programmes are also gaining greater prominence in the schedules of free-to-air terrestrial television services around the globe, example include Australia's state-owned ethnic broadcast services, SBS, and several of the Indonesian commercial networks, which have Indian programming. The export potential of Indian language programming is estimated at Rs. 5,800 crores in 2005 from the present level of approximately Rs. 600 crores.

As the media industry expands, it is inevitable that the bigger channels and larger houses will seek to acquire the better software/ content providers in a bid to secure their programming. Innovative attempts to attract and lock in viewers would include content sharing, advertising and financial alliances with other media such as print etc. It is also expected that foreign players could make large investments in Indian Software companies once 100% foreign equity is allowed as part of the new foreign direct investment policy on T.V. firms. Permission to uplink, if granted to broadcast and production companies would enable the larger software houses to become full-fledged broadcasters thereby enhancing a creative platform for showcasing its products.

In view of these factors, your Directors foresee a scope for improvement in the company's performance.

**Internal Control System and their adequacy**

The Company maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transaction of its operations in all material respects and of providing protection against significant misuse or loss of company's assets.

**Discussion on financial performance with respect to operational performance**

During the year, the Company made a loss of Rs. 153.78 lakhs. Had there not been a provision of doubtful debts of

Rs. 88.86 lakhs against the amount due from M/s Prism Packaging in respect of bills discounted with them, the loss would have been much lower. This provision has been made at the insistence of the Auditors of the Company, even though the Board of Directors of the Company is confident of recovering the entire amount. The Company has already commenced appropriate legal proceedings against the defaulting party.

The Company has written off one-third production cost of serials in respect of which the Company owns intellectual property rights. As a result, the profit for the year is lower by Rs. 13.02 lakhs. To avoid such losses, the Company has changed its mode of operation. Instead of preparing the entire serial and then marketing it, the Company started preparing concept and sending the same to channel for approval. After approval of the concept, pilot episode is shot and only after the approval of pilot episode, the shooting of other episodes of serial starts. The Company expects at least two to three more serials to go on air during next few months.

During the year, the Company had a lot of surplus funds which it utilized profitably by discounting of bills of exchange and investing in Mutual Funds. During the year, the Company earned Rs. 5.47 lakhs from discounting charges and Rs. 3.89 lakhs as income from Mutual Fund. As of 30th September, 2001, the investment in Mutual Fund was 85.78 lakhs ( market value Rs 91.90 lakhs). Your Company is going to gain substantially from a continuous appreciation in NAV of Mutual Fund units over last four months.

Taking the above factors into consideration, the Directors expect a much improved performance of the Company during the coming year.

**Material Development in Human/ Industrial Relations Front**

The Company believes that the manpower is the primary and most valuable resource to the growth of the organisation. Therefore, the Company is in the process of recruiting competent key managerial personnel in the field of editing, recording, production, post-production etc. The media industry is highly dependent on individual creative talent and the Company will make all the efforts to attract and retain the best and creative talent in the industry.



## REPORT ON CORPORATE GOVERNANCE

This report on Corporate Governance forms part of the Directors Report. This section besides being in compliance of the mandatory listing agreement requirement gives an insight into the process of functioning of the Company.

### Company's Philosophy on Code of Corporate Governance

- To adopt internal and external measures to increase the level of transparency and accountability.
- To demonstrate to stakeholders that the Company is following right governance practices.
- To lead the Company towards high growth path of higher profits and revenue.
- To respect the laws of the land and rights of stakeholders and to get respect from all concerned.
- To uphold at all times fundamental values of accountability, probity and transparency in all areas of its operations and business practices.

### Board of Directors

The Board of Directors of the Company consists of eminent persons with considerable professional experience and expertise in the field of media, law, finance, accounts etc.

The strength of the Board of Directors of the Company as on 11th February, 2002 is 8 and it meets stipulated requirements.

The Composition of Board of Directors is as follows :

Name of Director	Designation	Category	Status
Mrs. Tabassum Govil	Chairperson	Executive	Non-independent
Mrs. Ulka Doshi	Director -Finance	Executive	Independent
Mr. Milind Dabke	Director	Non-executive	Non-independent
Mr. Dinesh Gandhi	Director	Non-executive	Independent
Mr. Madhav Dabke	Director	Non-executive	Non-independent
Mr. Brijesh Merchant	Director	Non-executive	Independent
Mr. Rahul Merchant	Director	Non-executive	Independent
Mr. Anil M. Topiwala	Director	Non-executive	Independent

During the year, 18 Board meetings were held and the requisite quorum was present at all Board meetings. There is no gap of four months between any two meetings. None of the Directors is a member in more than 10 committees or acts as a Chairman in more than five committees across all companies in which he is a Director.

### Audit Committee

In terms of the provisions of Section 292A of the Companies Act, 1956 and in order to comply with the corporate governance code, the Board of Directors at its meeting held on 20th January, 2001 formed an Audit Committee comprising of Mr. Brijesh Merchant (Chairman of the Committee) and Mr. Rahul Merchant, Independent Non-executive Directors and Mr. Madhav Dabke, Non-Independent Non-executive Director.

With the induction of Mr. A. M. Topiwala, an Independent Non-executive Director on 4th February, 2002, the Audit Committee was re-constituted on that date with Mr. A. M. Topiwala as Chairman of the Committee. The Composition, powers and functions of the Audit Committee were as stipulated under clause 49 of the Listing Agreement and under Section 292A of the Companies Act, 1956.

The Composition of Audit Committee is as follows :

Name of Director	Designation	Category	Status
Mr. Anil M. Topiwala	Chairman of the Committee	Non-executive	Independent
Mr. Rahul Merchant	Member of the Committee	Non-executive	Independent
Mr. Madhav Dabke	Member of the Committee	Non-executive	Non-Independent

The Company Secretary Mr. R. B Uparkar acts as the Secretary to the Committee.

Two Audit Committee meetings were held during the year.

**Tabassum International Limited****Remuneration Policy and Details of Remuneration paid**

The Company does not have a Remuneration Committee. The remuneration paid to Managing Director and Whole-time Directors are decided by the Board of Directors, subject to the approval of members.

Details of remuneration paid/ payable to the Directors for the year ended on 30th September, 2001 is as follows :

Executive Directors

(Amount in Rs.)

Name	Position held during the year	Salary & Allowances	Perquisites	Total Remuneration
Mrs. Tabassum Govil	Chairperson	1,00,000/-	Nil	1,00,000/-
Mr. Milind Dabke	Managing Director	3,64,000/-	Nil	3,64,000/-
Mrs. Ulka Doshi	Director-Finance (w.e.f. 16/11/00)	2,29,800/-	Nil	2,29,800/-

No remuneration was paid to non-executive Directors.

**Shareholders / Investors Grievance Committee**

As a measure of good corporate governance and to focus on the shareholders' grievances and towards strengthening investors relations, the Shareholders / Investors Grievance Committee was formed on 20th January, 2001. The Committee functions under the Chairmanship of Mr. Madhav Dabke, a Non-executive Non-independent Director with Mr. Milind Dabke and Ulka Doshi as other committee members.

The Company received 42 complaints during the year and all them have been resolved. The number of pending complaints at the close of the year was nil.

**Share Transfer Committee**

A Share Transfer Committee was constituted on 20th January, 2001 to expedite the transfer process in the physical segment. The members of the Committee are Mr. Milind Dabke, a Director and Mr. R. B. Uparkar, the Company Secretary. The Committee met 5 times during the year to approve the transfer of shares and other matters relating to transfer and registration of shares.

**Disclosure**

There have been no transactions of material nature between the Company and its promoters, directors, management, their subsidiaries or relative etc. that may have potential conflict with the interests of the Company at large and which have not been disclosed to the Board.

The Company had made public issue and allotted its shares in October 2000. The trading in equity shares of the Company commenced in the month of November 2000 on the Stock Exchange, Mumbai, the Stock Exchange Ahmedabad and the Hyderabad Stock Exchange. Since then, the Company has complied with the regulations relating to capital markets and that no penalty or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority in respect thereof.

**General Shareholders information**

The required information is provided in "Shareholders information" Section.

**Means of Communication**

Un- audited quarterly results of the Company for the quarter ending 31st March, 2001, 30th June, 2001 and Audited results of the Company for the quarter ending on 30th September, 2001 were published in newspapers as stipulated under the listing agreement.